


**Changes in the law could
make more people eligible
for Extra Help in 2010**


What you need to know

- Today I want to share some exciting news with you.
- It's about changes in the law that could make it easier for people to qualify for extra help with their Medicare prescription drug plan costs.
- Here's what you need to know.





**Easier to qualify for
Extra Help in 2010**

- New law goes into effect
January 1, 2010
- Some things will no longer
count as resources or income
- More Medicare
beneficiaries may
qualify for Extra Help




- As you may know, certain Medicare beneficiaries with limited income and resources are eligible for Extra Help with their Medicare prescription drug plan costs—help that can pay the cost of monthly premiums, annual deductibles and prescription co-payments.
- Starting January 1, 2010, it will be easier to qualify for Extra Help.
- Some things will no longer count as resources or income.
- People who may not have qualified for this assistance before may be eligible starting in January.

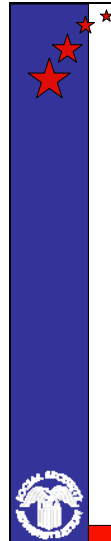


Resources and Income — Changes for 2010

- Life insurance will no longer count as a resource
- Help received from someone else to pay for household expenses will no longer count as income. Examples:
 - Food
 - Mortgage payment or rent
 - Utilities – heating fuel or gas, electricity, water
 - Property taxes



- There are two key changes that could make the difference for some people who previously didn't qualify for Extra Help.
- First, beginning in January 2010, we no longer will count the cash surrender value of life insurance policies as a resource when we determine eligibility.
- And second, we will no longer count the help people receive from others to pay for household expenses as income. This would include things such as food, mortgage, rent, utilities and property taxes.

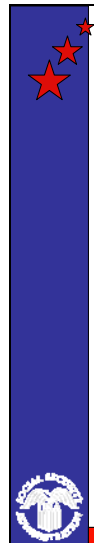


What are the limits to qualify for Extra Help?

For 2009:

- **Resources limited to \$12,510 for individuals, \$25,010 for married couples living together**
- **Income limited to \$16,245 for individuals, \$21,855 for married couples living together**
- **These limits may change in 2010**

- What does it take to qualify for the Extra Help?
- Here are the limits:
- The 2009 resource limits are as follows:
 - \$12,510 for individuals
 - \$25,010 for married couples living together
- And the 2009 income limits:
 - \$16,245 for individuals
 - \$21,855 for married couples living together
- (If you have earnings from work and/or reside in Alaska or Hawaii, these limits are higher)
- Again, these are the resource and income limits for 2009. They may change in 2010.



Should you apply now?

- If your current total resources & income are below eligibility limits: Apply now
- If your current total resources & income are above eligibility limits because of life insurance and household assistance: Apply on or after January 1, 2010

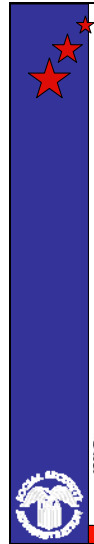
- So if you're a Medicare beneficiary and right now you have life insurance or someone is assisting you regularly with your household expenses, when should you apply for Extra Help?
- If you add up your total resources and income and the amount is BELOW the current eligibility limits, then you should apply now. The sooner you apply, the sooner you could qualify and start getting the benefits of the Extra Help program.
- If you add up your total resources and income and the amount is ABOVE the current eligibility limits, then you should WAIT to apply on or after January 1, 2010.

Here are a couple of examples to illustrate:

Example 1: Jane lives alone and has life insurance worth a \$1,000— that is, the amount she would receive if she cashed in her insurance policy right now. She has additional resources of \$10,900, for a total of \$11,900. Her total yearly income comes to \$16,240. She should apply for Extra Help now because her total resources, even including the life insurance, are below the maximum limit of \$12,510. Her income also is below the eligibility limit.

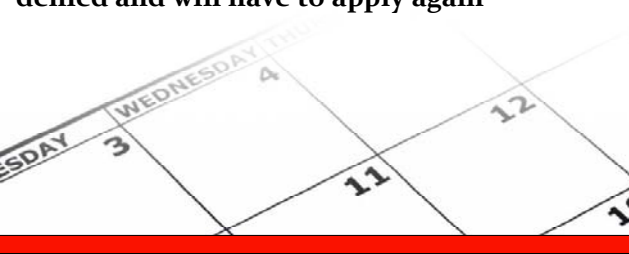
Example 2: George and Diana are married and live together. They have life insurance worth \$2,500. Their remaining resources are \$24,000, for a total resource level of \$26,500. Their annual income is \$21,000—below the eligibility limit for a married couple living together. George and Diana should **not** apply for Extra Help now, but should apply on or after January 1, 2010. This is because their resources are above the \$25,010 eligibility limit for a married couple living together. However, on January 1, 2010, when the law changes, the cash value of their life insurance will no longer count against their resources. Their total resources will then be \$24,000, making them eligible for Extra Help at that time.

Example 3: Mary and Joe are married and live together. They have resources of \$23,000. Their total yearly income is \$20,900, which includes \$2,400 they get from their son David to help pay their rent. Mary and Joe should apply for Extra Help now because, even with the help they get from David, their combined income is below the maximum limit of \$21,855 for a married couple living together.

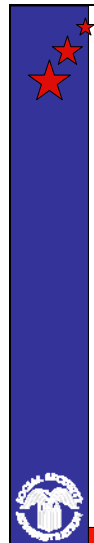


Why wait to apply?

- If life insurance or household assistance puts you over eligibility limits, you will not qualify until the new law is effective
- If you are over the 2009 eligibility limits and apply before January 1, 2010, you will be denied and will have to apply again



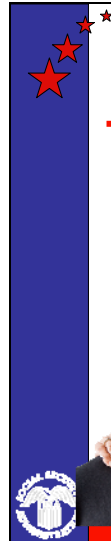
- So you may want to wait until January 1, 2010 to apply if your life insurance or the help you receive with your household expenses put you over the current limits. Here's why:
 - If your life insurance or the help you receive with household expenses cause your resources and income to go above the eligibility limits, you will not qualify now for the Extra Help. We're still counting those two items in 2009. Your application will be denied and you'll have to apply all over again in 2010.



What else does the new law say?



- **Beginning January 1, 2010, when you apply for Extra Help, it can start the application process for the Medicare Savings Programs (MSP)**
- **Social Security will send your information to your state unless you tell us not to on the Extra Help application**
- **Your state will contact you to help you complete the MSP application**

- By the way, if you are applying on or after January 1, 2010, your application for Extra Help will automatically start your application process for help from your state under the Medicare Savings Programs or MSP.
- Social Security will send the data used in making your Extra Help determination to your state unless you check the block on the application telling us not to send it.
- Your state will contact you to help you apply for an MSP.
- You can still apply for an MSP by contacting your state directly even if you indicate you don't want us to send the information.



Advantages of the Medicare Savings Programs

- **Help pay for Medicare Part B
(medical insurance) premiums**
- **For some, it may help pay
for Part A (hospital
insurance) premiums, and
Part A & Part B deductibles
and co-payments**



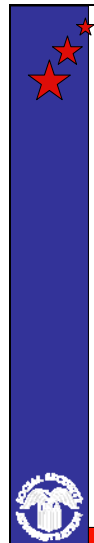
- MSPs are beneficial because they help people with limited income and resources pay Medicare Part B—medical insurance—premiums.
- For some people, MSPs may help pay Medicare Part A—hospital insurance—premiums, as well as Part A and Part B deductibles and co-payments.
- MSPs can help you save more than \$1,100 a year.



How do I apply for Extra Help?

- Complete the *Application for Extra Help with Prescription Drug Plan Costs (SSA-1020)*
 - Apply online at www.socialsecurity.gov
 - Call Social Security to apply over the phone or request an application at 1-800-772-1213 (TTY 1-800-325-0778)
 - Apply at your local Social Security office
- Social Security will review your application and send you a letter to let you know if you qualify


- You can apply for Extra Help in one of three ways:
 - Online at www.socialsecurity.gov;
 - Over the phone at our toll-free number; or
 - In-person at your local Social Security office.
- Social Security will review your application and get back to you by mail with a decision about your eligibility.



Why apply online?

- **Step-by-step help screens guide you through questions**
- **Apply from any computer at your own pace**
- **Start and stop at any time—return later to finish**
- **A relative, friend or caregiver can help**
- **Online application is secure**

- We strongly recommend you apply for Extra Help online, for many reasons:
 - The online application takes you through all of the questions to help you answer them completely;
 - You can apply from the convenience of any computer, at your own pace;
 - If you have to take a break, you can stop and return to the application later without losing the information you already filled in;
 - If you don't have or use a computer, someone else can help you fill out the application;
 - Our online application is safe and secure; and It's generally much faster to apply online. There's no mail time as there is with a paper application, so decisions usually can be made more quickly.



Choosing a Medicare prescription drug plan

- You can choose a plan, regardless of whether you qualify for Extra Help
- If you qualify for Extra Help and do not select a plan, the *Centers for Medicare & Medicaid Services* will select one for you
- If you prefer another plan, you can change plans
- The sooner you join a plan, the sooner you receive benefits

Whether or not you qualify for Extra Help, you still can choose a Medicare prescription drug plan.

If you do qualify for Extra Help but do not choose a plan, the Centers for Medicare & Medicaid Services will pick one for you.

You can always change plans to one you prefer.

And, the sooner you join, the sooner you'll start receiving benefits.



**Need more information
about Extra Help?**

Visit www.socialsecurity.gov
or
Call Social Security at 1-800-772-1213
(TTY 1-800-325-0778)



If you need more information about Extra Help or other Social Security services:
visit www.socialsecurity.gov; or
call Social Security at
1-800-772-1213 (TTY 1-800-325-0778).



**Need more information
about Medicare?**


For information on Medicare Savings Programs, enrolling in specific drug plan, or to get the *Medicare & You, 2009* handbook:

Visit www.medicare.gov

or

Call 1-800-MEDICARE
(1-800-633-4227, TTY 1-877-486-2048)

Finally, for additional information about the Medicare Savings Programs, Medicare prescription drug plans, or to get a copy of the *Medicare & You, 2009* handbook, visit www.medicare.gov or call the Medicare toll-free number.



Questions?

www.socialsecurity.gov

